



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 20, 2009

The Honorable Board of Supervisors
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

CONTRACT EXTENSIONS/COST REDUCTIONS RECOMMENDATIONS: BOARD LETTER NO. 3

(ALL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

Based on Board direction from your meeting of June 16, 2009, this letter includes the third set of recommended contract amendments offering term extensions in consideration for immediate cost reductions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and delegate authority to the affected department heads to execute contract amendments described in Attachments I through IX as recommended by the Chief Executive Officer and approved as to form by County Counsel, to extend terms and reduce the annual contract amount under your Board's contract cost reduction initiative effective for 2009-10.
2. Instruct the affected department heads to notify your Board and the Chief Executive Office, in writing, within ten business days after execution of such amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 16, 2009, your Board directed the Chief Executive Officer, working with the Internal Services Department, County Counsel, Auditor-Controller, and other departments, as needed, to develop the parameters for a contract cost savings initiative for existing contractors. Your Board also directed the Chief Executive Officer to provide all

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departments with a "model" letter to send to contractors by early July, requesting that contractors reduce their rates in exchange for term extensions without competitive bidding.

On June 25, 2009, this Office provided instructions to departments, establishing the criteria pertaining to these contracts and a timeline for reporting back on those contracts recommended for extension/cost reduction. Departments subsequently canvassed their contracts and solicited offers from contractors which met the appropriate criteria, requesting price reductions in exchange for one-year and/or two-year extensions. Contractors responded with varying degrees of price reductions, and upon consideration and further negotiations by departments, contract amendments for the following departments are recommended:

- Approved
on 10-20-09*
- ~~Child Support Services - One (1) Contract Amendment, 2009-10 savings of \$515,000 - (Attachment I).~~
 - ~~County Counsel - One (1) Contract Amendment, 2009-10 savings of \$4,558 - (Attachment II).~~
 - ~~Human Resources - One (1) Contract Amendment, 2009-10 savings of \$14,926 - (Attachment III).~~
 - ~~Health Services - Six (6) Contract Amendments, 2009-10 savings of \$269,451 - (Attachment IV). Please note: The Department is recommending approval of two contracts (75938 - AMR and 701585 Philips) beyond the two-year extension period and one contract (207974 Superior Scientific) below the 5 percent threshold identified by your Board for this initiative. Justification for these variances has been provided in the attached memo to this Office.~~
 - ~~Internal Services - One (1) Contract Amendment, 2009-10 savings of \$58,707 - (Attachment V).~~
- Continued
to 11-17-09*
- ~~Probation - Eighteen (18) Contract Amendments, 2009-10 savings of \$299,165 and revenue of \$15,705 - (Attachment VI).~~
- Approved
on 10-20-09*
- ~~Public Library - Four (4) Contract Amendments, 2009-10 savings of \$11,207 - (Attachment VII).~~
 - ~~Public Works - One (1) Contract Amendment, 2009-10 savings of \$39,133 - (Attachment VIII).~~
 - ~~Sheriff's Department - Six (6) Contract Amendments, 2009-10 savings of \$101,060 and revenue of \$120,000 - (Attachment IX).~~

As referenced above, attached to this letter are memoranda from the affected departments, each providing:

- Background on the subject contract(s);
- Identification of the proposed cost reduction/extension and the related fiscal impact; and
- A discussion of the analysis and due diligence conducted by the department to justify the recommended amendment(s).

Upon your Board's authorization, affected department heads will execute the contract amendments to effect the changes described in their memoranda.

FISCAL IMPACT/FINANCING

This transmittal references 39 contract amendments that, if approved, would result in an estimated total annual savings of \$1,313,207 which includes NCC savings of \$478,416 for 2009-10. Included in this submittal are two revenue contracts that will increase revenue by \$135,705.

In conjunction with the first two letters approved by your Board on September 8 and 15, 2009, entitled Contract Extensions/Cost Reductions Recommendations Board Letter No. 1 and No. 2, respectively, the cumulative projected total savings/revenue of amendments approved through this initiative is \$6,714,575 which includes NCC savings of \$2,252,887 and a revenue increase of \$135,705 for 2009-10.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This effort pertains to current contracts which were planned to be competitively rebid upon expiration and for which a competitive solicitation process was not already underway. The cost reductions would need to be implemented for 2009-10 and throughout the extended period. Living Wage rates will not be reduced as part of this effort.

Departments were directed to exclude from consideration contracts for which:

- A more favorable cost may be obtained via a competitive bid process;
- Departments have identified contractor performance issues with the current contractor;
- Departments are uncertain if the services will be needed for the extended term; and

- Reductions have already been imposed as part of the 2008-09 or 2009-10 County budgets.

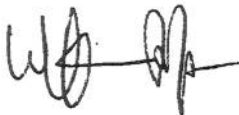
IMPACT ON CURRENT SERVICES (OR PROJECTS)

This effort is intended to produce immediate cost savings in light of the fiscal challenges faced by the County. The proposed contract amendments should not have a negative impact on the level or quality of service provided to the County by the affected contractors.

CONCLUSION

This Office will continue to package and forward additional contract amendments consistent with this effort, for Board approval, as they become available.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:ES:MKZ
FC:JH:pg

Attachments

c: All Department Heads
Administrative Deputies
Contract Managers' Network



ROBERT B. TAYLOR
Chief Probation Officer

COUNTY OF LOS ANGELES PROBATION DEPARTMENT

9150 EAST IMPERIAL HIGHWAY — DOWNEY, CALIFORNIA 90242

(562) 940-2501



September 1, 2009

To: William T Fujioka
Chief Executive Officer

From: Robert B. Taylor
Chief Probation Officer

**SUBJECT: CONTRACT EXTENSIONS AND COST REDUCTIONS APPROVAL
REQUEST**

On June 16, 2009 the Board, on motion of Supervisor Ridley-Thomas, instructed the Chief Executive Office (CEO), working with the Internal Services Department, County Counsel, Auditor-Controller, and other departments as needed, to develop the parameters for a contract cost savings initiative by requesting that contractors reduce contract costs effective in 2009-10 in return for contract extensions. The Board also authorized any contract extensions authorized under this initiative be executed without competitive bidding and directed the CEO to include any resulting reductions in Supplemental Changes for the 2009-10 County Budget.

On June 25, 2009, the CEO, acting on the Board's direction, provided instructions for implementation of this cost savings initiative requesting that contractors reduce contract costs effective in 2009-10 in return for contract extensions. The instructions directed departments to canvass their contracts which met the appropriate criteria, and solicit offers from those affected contractors to reduce the cost of the contracts in exchange for one-year and/or two-year extensions.

Accordingly, I am recommending that the CEO propose to the Board of Supervisors the following contract amendments to reduce cost and extend terms only (amendments will be approved as to form by County Counsel):

1. **Contract No. 76930 – Name of Contractor:** Interquest Detection Canines

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Narcotics detection services	\$100,000 annually	4 one-year options remaining/ 2/28/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction and applicable Net County Cost /Non-Net County Cost savings:

1 year extension: 5% per year

- 2009-10 Savings: \$3,750 NCC- based on 10/01/09 start date
- 2010-11 Savings: \$3,333 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Since this is a new service to the department, a historical review of contractor's costs of providing this service could not be performed. However, data from other services, suggests that, on average, when re-soliciting for any services, the contractor's costs have increased 2% to 10% per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff

costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

2. **Contract No. 75157 - Name of Contractor:** Select Staffing

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Clerical Services- Area Offices	\$1,996,800 annually	1/19/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$119,808 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$159,744 NCC
- 2011-12 Savings: \$93,184 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

- a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

3. **Contract No. 75187 - Name of Contractor:** Lee's Maintenance

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Custodial – Los Padrinos Juvenile Hall	\$222,108 annually	2/28/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction for and applicable Net County Cost /Non-Net County Cost savings:

1 year extension: 5% per year

- 2009-10 Savings: \$8,329 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$7,404 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

4. **Contract No. 75199 - Name of Contractor:** Lee's Maintenance

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Custodial services – six sites	\$257,521 annually	3/31/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction and applicable Net County Cost /Non-Net County Cost savings:

1 year extension: 5% per year

- 2009-10 Savings: \$6,438 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$9,657 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

5. Contract No. 75335 - Name of Contractor: G4S Justice Systems

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Juvenile Electronic Monitoring	\$657,730 annually	1 one-year option remaining/ 8/31/09

Recommended Amendment/Fiscal Impact

This contract is based on a sliding scale fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$39,464 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$52,618 NCC
- 2011-12 Savings: \$ 8,769 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data

suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.

2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

- a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

6. **Contract No. 75631 - Name of Contractor:** Sentinel Offender Services

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Adult electronic monitoring	Revenue	1 one-year option remaining/ 5/31/09

Recommended Amendment/Fiscal Impact

This contract is revenue generating. Revenue is generated based on the number of individuals referred to the program. Actual revenue may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost revenue increases;

2 year extension: 8%

- 2009-10 Revenue:: \$15,705 -based on 10/01/09 start date
- 2010-11 Revenue: \$20,940

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

7. Contract No. 76708 - Name of Contractor: Sentinel Offender Services

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Electronic monitoring via global positioning satellites	\$100,000 annually	4 one-year options remaining/ 10/31/09

Recommended Amendment/Fiscal Impact

This contract is based on a sliding scale fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8%

- 2009-10 Savings: \$6,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$8,000 NCC
- 2011-12 Savings: \$2,667 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:
 - a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff

costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

8. **Contract No. 64007120 - Name of Contractor:** Soledad Enrichment Action, Inc.

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 1 Area 1	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

- a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

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When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

9. Contract No. 64007121 - Name of Contractor: Asian Youth Center

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 1 Area 2	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

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When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

10. **Contract No. 64007125 - Name of Contractor:** Inter-Agency Drug Abuse Recovery Program Inc.

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 3 Area 2	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff

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When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

11. Contract No. 64007126 - Name of Contractor: Helpline Youth Counseling

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 4 Area 1	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

12. Contract No. 64007127 - Name of Contractor: Helpline Youth Counseling

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 4 Area 2	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

13. **Contract No. 64007128 - Name of Contractor:** Asian Youth Center

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 5 Area 1	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff

costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

14. Contract No. 64007129 - Name of Contractor: United Community Action Network, Inc.

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Gang Intervention – Cluster 5 Area 2	\$200,000 annually	2 one-year options remaining/ 6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$12,000 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$16,000 NCC
- 2011-12 Savings: \$16,000 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

- a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

15. Contract No. 64005144 - Name of Contractor: Chinatown Service Center

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Operation Read – Literacy program – Cluster 1	\$131,400 annually	6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$7,844 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$10,512 NCC
- 2011-12 Savings: \$10,512 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
2. Our analysis involved a breakdown of costs associated with conducting a new solicitation in comparison to a contract amendment. The following costs were considered in our comparison:

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On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

16. Contract No. 64005143 - Name of Contractor: People Who Care Youth Center

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Operation Read – Literacy program – Cluster 2	\$131,400 annually	6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$7,844 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$10,512 NCC
- 2011-12 Savings: \$10,512 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
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On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

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When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

17. Contract No. 64005140 - Name of Contractor: New Directions for Youth

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Operation Read – Literacy program – Cluster 3	\$131,400 annually	6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$7,844 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$10,512 NCC
- 2011-12 Savings: \$10,512 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

1. Our analysis involved a historical review of contractor's costs of providing this service. Several solicitation periods were reviewed in our analysis. The data suggests that, on average, when re-soliciting for this service, the contractor's costs have increased 2% to 10 % per year. If this trend continues, the data would suggest that, as a result of conducting a new solicitation, Probation will incur higher contractor's costs for providing this service.
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- a. Staff

On average, when conducting a new solicitation, the process takes from 9 to 12 months from start to completion. In comparison, conducting a contract amendment takes 1 to 2 months. Given this information, the staff costs associated with conducting a new solicitation in comparison to a contract amendment are significantly higher.

- b. Associated costs with conducting a new solicitation, e.g. advertisement, printing, paper, etc.

When conducting a new solicitation there are unavoidable costs associated with advertisement, printing of RFPs and other supplies. In comparison, these costs are avoidable when conducting a contract amendment. As a result, Probation will have significant costs savings when conducting a contract amendment instead of new solicitation.

Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

18. **Contract No. 64005141 - Name of Contractor:** Asian Youth Center

Background

TYPE OF SERVICE	TOTAL AMOUNT OF CONTRACT AND NET COUNTY COST	CURRENT LENGTH OF CONTRACT/CONTRACT EXPIRATION DATE
Operation Read – Literacy program – Cluster 5	\$131,400 annually	6/30/10

Recommended Amendment/Fiscal Impact

This contract is on a fee for service basis; savings are approximate based on current estimated contract amount utilized on an equal monthly basis. Actual savings may be more or less than reflected amount as determined by actual use.

The following are the recommended extension terms, percentage of dollar cost reduction, and applicable Net County Cost /Non-Net County Cost savings:

2 year extension: 8% per year

- 2009-10 Savings: \$7,844 NCC-based on 10/01/09 start date
- 2010-11 Savings: \$10,512 NCC
- 2011-12 Savings: \$10,512 NCC

Justification

In order to conclude that this contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation the following analysis and due diligence were performed by Probation:

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Based on the results of our analysis above, a contract amendment is economically advantageous to the County as compared to the potential results of conducting a new solicitation.

Please let me know if you have any questions, or your staff may contact Tasha Howard at 562-940-2615 or Latasha.Howard@probation.lacounty.gov.

c: County Counsel

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